

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2011**

	(Unaudited) As at 31/07/2011 RM	(Audited) As at 31/01/2011 RM
NON CURRENT ASSETS		
Property, plant and equipment	2,963,250	3,267,043
CURRENT ASSETS		
Inventories	2,763,404	3,758,348
Trade and other receivables	4,142,895	4,030,602
Tax recoverable	875	875
Cash and bank balances	9,948	20,994
	<u>6,917,122</u>	<u>7,810,819</u>
TOTAL ASSETS	<u><u>9,880,372</u></u>	<u><u>11,077,862</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	14,000,000	14,000,000
Share premium	550,571	550,571
Currency translation reserve	85,174	160,050
Accumulated losses	(7,758,616)	(7,843,207)
Merger deficit	(2,575,050)	(2,575,050)
	<u>4,302,079</u>	<u>4,292,364</u>
Minority shareholders' interest	<u>0</u>	<u>0</u>
Total Equity	4,302,079	4,292,364
Non-current liabilities		
Hire purchase liabilities	265	44,860
Current Liabilities		
Trade and other payables	5,473,116	6,635,726
Hire-purchase liabilities	104,912	104,912
	<u>5,578,028</u>	<u>6,740,638</u>
Total Liabilities	5,578,293	6,785,498
TOTAL EQUITY AND LIABILITIES	<u><u>9,880,372</u></u>	<u><u>11,077,862</u></u>
NTA per share attributable to equity holders of the Company -basic (RM)	0.0307	0.0307

(The unaudited consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 January 2011)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 JULY 2011**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Quarter Ended 31/07/2011 RM	Comparative Quarter Ended 31/07/2010 RM	6 months Cumulative 31/07/2011 RM	Comparative 6 months Cumulative 31/07/2010 RM
Revenue	1,599,839	2,579,105	6,449,291	3,630,516
Other operating income	0	4,500	0	4,504
Operating expenses	(1,568,895)	(3,977,180)	(6,356,996)	(6,013,971)
Profit /(Loss) from operations	30,944	(1,393,575)	92,295	(2,378,951)
Finance costs	(3,670)	(131,265)	(7,704)	(229,217)
Profit /(Loss) before taxation	27,274	(1,524,840)	84,591	(2,608,168)
Tax expense	0	0	0	22,257
Profit/(Loss) for the period	27,274	(1,524,840)	84,591	(2,585,911)
Attributable to:				
Equity holders of the Company	27,274	(1,524,840)	84,591	(2,585,911)
Minority interest	0	0	0	0
	27,274	(1,524,840)	84,591	(2,585,911)
Earnings per share				
- Basic (sen)	0.02	(1.09)	0.06	(1.85)

(The unaudited condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 January 2011)

FLONIC HI-TEC BHD (Company No. 655665-T)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 JULY 2011**

	<u>Attributable to Equity Holders of the Company</u>							
	Share Capital	<u>Non-Distributable</u>		Retained Earnings	Merger Deficit	Total	Minority Interest	Total Equity
		Share Premium	Currency translation reserve					
	RM	RM	RM	RM	RM	RM	RM	RM
Balance at 1 February 2011	14,000,000	550,571	160,050	(7,843,207)	(2,575,050)	4,292,364	0	4,292,364
Currency translation differences, representing net loss not recognised in income statement	0	0	(74,876)	0	0	(74,876)	0	(74,876)
Profit for the period	0	0	0	84,591	0	84,591	0	84,591
Balance at 31 July 2011	<u>14,000,000</u>	<u>550,571</u>	<u>85,174</u>	<u>(7,758,616)</u>	<u>(2,575,050)</u>	<u>4,302,079</u>	<u>0</u>	<u>4,302,079</u>

(The unaudited consolidated statement of changes of equity should be read in conjunction with the audited financial statements for the year ended 31 January 2011)

FLONIC HI-TEC BHD (Company No. 655665-T)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 JULY 2011**

	6 Months Ended 31/07/2011 (Unaudited) RM	Year Ended 31/01/2011 (Audited) RM
Cash Flows From Operating Activities		
Profit / (Loss) before taxation	84,591	(2,373,801)
Adjustments for :-		
Depreciation and amortisation	303,793	606,242
Interest expense	7,704	227,806
Inventories written down	0	41,471
Impairment loss on trade receivables	0	78,134
Unrealised exchange difference	(9,030)	(9,029)
Loss on disposal of property, plant and equipment	0	16,390
Operating profit/ (loss) before working capital changes	<u>387,058</u>	<u>(1,412,787)</u>
Decrease / (Increase) in inventories	994,944	(1,777,938)
(Increase) / Decrease in receivables	(111,442)	581,927
(Decrease) / Increase in payables	(1,154,431)	1,590,462
Cash generated from / (used in) operations	<u>116,129</u>	<u>(1,018,336)</u>
Interest paid	(7,704)	(227,806)
Tax recoverable	0	22,257
Net cash generated from / (used in) operating activities	<u>108,425</u>	<u>(1,223,885)</u>
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	0	(41,607)
Proceed from disposal of property, plant and equipment	0	7,207,127
Net cash generated from investing activities	<u>0</u>	<u>7,165,520</u>
Cash Flows From Financing Activities		
Repayment of term loan	0	(4,862,824)
Repayment of hire purchase liabilities	(44,595)	(117,527)
Net cash used in financing activities	<u>(44,595)</u>	<u>(4,980,351)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	63,830	961,284
CURRENCY TRANSLATION DIFFERENCE	(74,876)	0
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	20,994	(940,290)
CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR	<u>9,948</u>	<u>20,994</u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u>9,948</u>	<u>20,994</u>

(The unaudited consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 January 2011)